

## Message Text

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16

ACTION EB-11

INFO OCT-01 ARA-11 ADP-00 AGR-20 COME-00 NSC-10 SS-15 PA-03

PRS-01 USIA-12 CIAE-00 INR-10 NSAE-00 RSC-01 AID-20

TRSE-00 OMB-01 RSR-01 L-03 /120 W  
----- 108249

R 041920 Z APR 73

FM AMEMBASSY BUENOS AIRES  
TO SECSTATE WASHDC 1573

UNCLAS BUENOS AIRES 2327

E. O. 11652: N/ A

TAGS: ECON

SUBJECT: CONSUMER PRICES: MARCH

REF: BA-1577; BA-1990

1. MARCH CONSUMER PRICE INDEX UP 8.6 PERCENT ( WE ESTIMATE 8.7 PERCENT SEASONALLY ADJUSTED). THIS IS 22.2 PERCENT INCREASE FOR FIRST QUARTER (30.1 PERCENT SEASONALLY ADJUSTED), AND 76.6 PERCENT INCREASE SINCE MARCH 1972.

2. FOOD COSTS WERE UP 11.1 PERCENT, LED BY MEAT PRODUCTS WHICH ROSE 19.3 PERCENT. DAIRY PRODUCTS WERE UP 13.3 PERCENT, FRUITS AND VEGETABLES 8.9 PERCENT. CLOTHING PRICES ROSE BY 10 PERCENT, HOUSEHOLD EXPENDITURES 6.6 PERCENT. PRICES FOR "GENERAL EXPENDITURES" INCREASED BY 10.6 PERCENT, REFLECTING 20.8 PERCENT INCREASE IN MEDICAL COSTS AND 10.4 PERCENT INCREASE IN EDUCATION.

3. SUBSTANTIAL INCREASE NOT SURPRISING. LARGE SALARY INCREASES NEGOTIATED DURING JANUARY AND FEBRUARY, WHICH WERE RETROACTIVE TO JANUARY 1, GAVE STRONG BOOST TO BOTH DEMAND AND COSTS. EFFORTS OF GOA TO RESTRAIN PRICE EFFECTS DIFFICULT TO ENFORCE IN FACE OF THIS PRESSURE. INDICATIONS ARE THAT LIMITED SUCCESS HAS BEEN ACHIEVED IN HOLDING DOWN LIVE BEEF PRICES IN RECENT WEEKS ( SEE BA-1990),  
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BUT OTHER FACTORS WILL CONTRIBUTE TO CONTINUING INFLATION.  
NOTABLY, GOA AUTHORIZED RATE INCREASES FOR FUEL ( SLIGHTLY MORE  
THAN 20 PERCENT) AND TRANSPORTATION AS OF APRIL 1. LOCAL TRAIN  
SERVICE WENT UP 33 PERCENT; FREIGHT, 30 PERCENT, AND SUBWAYS,  
25 PERCENT. BUS FARES ALSO UP SUBSTANTIALY, AND TAXI FARES  
WERE EARLIER INCREASED BY MORE THAN THIRD.  
LODGE

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Errors:** n/a  
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**Original Handling Restrictions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
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**Subject:** CONSUMER PRICES: MARCH  
**TAGS:** ECON, AR  
**To:** EB  
**SECSTATE WASHDC**  
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